

The House Committee on Insurance offers the following substitute to SB 50:

A BILL TO BE ENTITLED  
AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to provide definitions; to provide for applicability; to provide for the registration of certain rental preferred provider networks; to provide for enforcement; to specify that a private cause of action is not created; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by adding a new chapter to read as follows:

"CHAPTER 20C

33-20C-1.

As used in this chapter, the term:

(1) 'Commissioner' means the Commissioner of Insurance.

(2) 'Department' means the Department of Insurance.

(3) 'Health care services' means the examination or treatment of persons for the prevention of illness or the correction or treatment of any physical or mental condition resulting from illness, injury, or other human physical problem and includes, but is not limited to:

(A) Hospital services which include the general and usual care, services, supplies, and equipment furnished by hospitals;

(B) Medical services which include the general and usual services and care rendered and administered by doctors of medicine, doctors of dental surgery, and doctors of podiatry; and

(C) Other health care services which include appliances and supplies; nursing care by a registered nurse or a licensed practical nurse; care furnished by such other licensed practitioners as may be expressly approved by the board of directors from time to time; institutional services, including the general and usual care, services, supplies, and equipment furnished by health care institutions and agencies or entities other than hospitals; physiotherapy; ambulance services; drugs and medications; therapeutic services and equipment, including oxygen and the rental of oxygen equipment; hospital beds; iron lungs; orthopedic services and appliances, including wheelchairs, trusses, braces, crutches, and prosthetic devices, including artificial limbs and eyes; and any other appliance, supply, or service related to health care.

(4) 'Health insurance plan' means any hospital and medical expense incurred policy, nonprofit health care service plan contract, health maintenance organization subscriber contract, or any other health care plan or arrangement that pays for or furnishes medical or health care services, whether by insurance or otherwise. The term shall not include any of the following: coverage only for accident or disability income insurance; coverage issued as a supplement to liability insurance; liability insurance, including general liability insurance and automobile liability insurance; automobile medical payment insurance; insured or self-insured workers' compensation insurance; credit-only insurance; coverage for on-site medical clinics; coverage similar to the foregoing as specified in federal regulations issued pursuant to Pub. L. No. 104-191, under which benefits for medical care are secondary or incidental to other insurance benefits; benefits for long-term care, nursing home care, home health care, or community based care; specified disease or illness coverage, hospital indemnity or other fixed indemnity insurance, or such other similar, limited benefits as are specified in regulations; medicare supplemental health insurance as defined under Section 1882(g)(1) of the federal Social Security Act; coverage supplemental to the coverage provided under Chapter 55 of Title 10 of the United States Code; or other similar limited benefit supplemental coverages.

(5) 'Provider' means an individual licensed pursuant to Chapter 9, 11, 26, 30, or 34 of Title 43 or Chapter 4 of Title 26, a physician organization, or a physician hospital organization that is acting exclusively as an administrator on behalf of a provider to facilitate the provider's participation in health care contracts. The term shall not include a physician organization or physician hospital organization that leases or rents the physician organization's or physician hospital organization's network to a third party.

(6) 'Provider network contract' means a contract between a rental preferred provider network and a provider specifying the rights and responsibilities of the contracting entity and provider for the delivery of and payment for health care services to covered individuals.

(7) 'Rental preferred provider network' means a preferred provider network that contracts with an insurer or other payor or with another preferred provider network to grant access to the terms and conditions of its contract with medical physicians. Such contracts are often referred to as 'renting' or 'leasing' the network. The term 'rental preferred provider network' does not refer to a proprietary network of a licensed insurer or to arrangements providing for access to the proprietary network of a licensed insurer by affiliates of the licensed insurer or by entities receiving administrative services from the licensed insurer or its affiliates.

(8) 'Third party' means an organization that enters into a contract with a contracting entity or with another third party to gain access to a provider network contract. 'Third party' shall not include the contracting entity's subsidiaries and affiliates. 'Third party' shall also not include any self-funded, employer sponsored health insurance plan regulated under the Employee Retirement Income Security Act of 1974, as codified and amended at 29 U.S.C. 1001, et seq.

33-20C-2.

(a) This chapter shall not apply to provider network contracts for services provided to Medicaid, medicare, or State Children's Health Insurance Program (SCHIP) beneficiaries.

(b) This chapter shall not apply to employers, church plans, or government plans receiving administrative services from a rental preferred provider network or its affiliates, or pharmacy benefits managers.

(c) This chapter shall not apply in circumstances where access to the provider network contract is granted to an entity operating under the same brand licensee program as the contracting entity.

(d) This chapter shall not apply to the provision of any medical services for injuries covered by workers' compensation.

(e) This chapter shall not apply to health insurance plans.

33-20C-3.

(a) Any person who commences business as a rental preferred provider network shall register with the Commissioner within 30 days of commencing business in this state unless such person is licensed by the Commissioner as an insurer. Each rental preferred provider network not licensed by the Commissioner on July 1, 2010, shall be required to register with the Commissioner within 90 days following July 1, 2010, and shall be placed on an approved list maintained by the Commissioner.

(b) Registration shall consist of the submission of the following information:

(1) The official name of the rental preferred provider network, including any d/b/a designations used in this state;

(2) The mailing address and main telephone number for the rental preferred provider network's main headquarters; and

(3) The name and telephone number of the rental preferred provider network representative who shall serve as the primary contact with the department.

(c) The information required by this Code section shall be submitted in written or electronic format, as prescribed by the Commissioner by rule or regulation.

(d) The Commissioner may, pursuant to rule or regulation, collect a reasonable fee for the purpose of administering the registration process.

(e) The Commissioner shall maintain an approved list of rental preferred provider networks.

33-20C-5.

It shall be grounds for the Commissioner to remove a rental preferred provider network from the approved list and thereby revoke the registration of such rental preferred provider network if the Commissioner finds that the entity has:

(1) Knowingly accessed or utilized a provider's contractual discount pursuant to a provider network contract without a contractual relationship with the provider, rental preferred provider network, or third party; or

(2) Leased, rented, or otherwise granted to a third party access to a provider network contract unless the third party accessing the health care contract is:

(A) A payor or third party administrator or another entity that administers or processes claims on behalf of the payor;

(B) A preferred provider organization or preferred provider network, including a physician organization or physician-hospital organization; or

(C) An entity engaged in the electronic claims transport between the preferred provider network and the payor that does not provide access to the provider's services and discount to any other third party."

## **SECTION 2.**

This Act shall become effective on July 1, 2010.

## **SECTION 3.**

All laws and parts of laws in conflict with this Act are repealed.